

THUNDERBIRD 1 LEASING LIMITED

**BUSINESS PLAN
OCTOBER 2010**

OWNER

Aircastle Investment Holdings 3 Limited

c/o Aircastle Advisor LLC

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1. Mauritius

Mauritius appears to be a suitable choice as it is located favourably in relation to some of the largest developing markets in the world. Its central position in the Indian Ocean gives it easy access to fast growing countries in Africa, the Middle East, India, the east including Thailand, Vietnam, Indonesia. The SAFE fibre optic cable linking Mauritius to Singapore in Asia and Durban in South Africa provides a good communication base.

More than 80 percent of the world's developing population lives in the time zone band of +/- 4 hours from Mauritius.

Mauritius has a developed an efficient financial infrastructure underpinned by a stable and favourable corporate legal system. This makes it a good location for capital raising and running the operations of a business focused on the markets. Furthermore, Mauritius is an offshore jurisdiction with a wide network of double taxation treaties in interesting markets.

2. The Promoters/ Ultimate Beneficial Owners

Aircastle Limited is a global company that acquires, leases and sells commercial aircraft to passenger and cargo airlines throughout the world. High-utility aircraft are generally modern, operationally efficient jets with a large operator base and long useful lives. As of December 31, 2009, the aircraft portfolio consisted of 129 aircraft that were leased to 60 lessees located in 33 countries, and managed through the offices in the United States, Ireland and Singapore. Typically, the aircraft are subject to net operating leases whereby the lessee is generally responsible for maintaining the aircraft and paying operational, maintenance and insurance costs, although in a majority of cases, we are obligated to pay a portion of specified maintenance or modification costs.

Typically, Aircastle Limited leases its aircraft on an operating lease basis. Under an operating lease, Aircastle Limited retains the benefit, and bear the risk, of re-leasing and of the residual value of the aircraft upon expiration or early termination of the lease. Operating leasing can be an attractive alternative to ownership for airlines because leasing (i) increases fleet flexibility, (ii) requires a lower capital commitment for the airline, and (iii) significantly reduces aircraft residual value risk for the airline. Under the leases, the lessees agree to lease the aircraft for a fixed term, although certain of the operating leases allow the lessee the option to extend the lease for an additional term or terminate the lease prior to its expiration.

Aircastle Limited is listed on the New York Stock Exchange since 08 August 2006.

Aircastle Limited through its subsidiary/ies intends to set up a Category 1 Global Business Company to lease its aircrafts to operators in South Africa.

3. **The Company**

The Company will be wholly held by Aircastle Investment Holding 3 Limited, an indirect subsidiary of Aircastle Limited as per the organisational structure.

Initially the company will be capitalised with USD 1. As and when further funding is required, if applicable, then additional capital will be injected via share capital and or loan capital by the shareholders.

The company intends to invest USD 20 million.

The main business activity of the company will be to lease aircraft through an operating lease to South African Airways

4. **Management & Administration**

4.1 **Management Company**

The proposed company will be managed and administered by Codan (Mauritius) Limited.

4.2 **Board of Directors**

The proposed board will consist of Ron Wainshal, Michael Inglese, David Walton and two local directors namely Craig Taylor Fulton and Edley Pierre Nicolas Richard.

4.3 **Bank**

The bank account will be opened with Deutsche Bank (Mauritius) Limited.

4.4 **Other**

Specialist functions will be outsourced according to requirements such as the necessary tax planning.

4.5 **Taxation Implications**

The Company will require a tax residency certificate, to be issued by the authorities in Mauritius after the incorporation of the Company to benefit from the double tax agreement between Mauritius and South Africa.

5. Financial Forecasts

Assumptions underlying the Forecasted Budget:

The financial year of the company will run from 1st January to 31st December.
Year 1 is 2010, the year of incorporation.

Viability and Target Forecast

3 Years business forecast

(US\$ in Thousands)	Year 1 USD	Year 2 USD	Year 3 USD
Total Revenue	<u>0</u>	<u>8,866</u>	<u>9,672</u>
Expenditure	<u>0</u>	<u>2,583</u>	<u>2,952</u>
Net profit before tax and interest	<u>0</u>	<u>6,283</u>	<u>6,720</u>
Initial Working Capital	<u>0</u>	<u>20,339</u>	<u>0</u>